

Regulation 9

**DEFERRED PAYMENT OF FIRE PREMIUMS IN
CONNECTION WITH THE TERM RULE**

April 4, 1955

To All Insurers Writing Fire Insurance In Louisiana:

The Fire Insurance Division, Louisiana Insurance Rating Commission, has approved a filing of the Louisiana Fire Prevention Bureau, relative to deferred payment of fire premiums in connection with the Term Rule. The filing, as approved by the Division, is effective April 15, 1955, and reads as follows:

"Rule No. 19-A. "Premium Payment Plan

"Policies covering property eligible to be insured for a term of years under the Term Rule may be written for a term of 3 or 5 years, providing for deferred payment of premium only at the following multiples of the annual rate, with premium payments due as designated, subject to the attachment of Premium Payment Plan Form No. 141 or other evidence, or evidences of indebtedness. Such other evidence or evidences of indebtedness are permitted only provided the amounts and due dates of the several payment are the same as directed below for deferred payments of premiums. Copies of any such evidences of indebtedness shall be attached to the policy and to the daily report for audit.

"Three years—2.6 times annual rate. One full annual premium payable at inception; the remainder to be paid one-half within one year after inception and one-half within two years after inception.

"Five years—4.2 times annual rate. One full annual premium payable at inception; the remainder to be paid one-fourth within one year after inception, one-fourth within two years after inception, one-fourth within three years after inception and one-fourth within four years after inception.

"Note 1: Endorsements to Premium Payment Plan contracts involving additional or return premiums may be handled as

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cash transactions provided the amount involved does not exceed \$5.00 per remaining unpaid installment, thereby eliminating the necessity of changing the amount of future installments.

"Note 2: Minimum Premium rules apply separately to each payment required under the above Plan."

All companies writing fire insurance in Louisiana are reminded that one of the conditions of their authority to do business in this State is adherence to the rates fixed in accordance with the Insurance Code. Failure to adhere to the above quoted Rule of the Fire Division will be regarded as a violation of that condition and companies guilty of such violation may expect that all applicable provisions of the Insurance Code will be invoked.

Baton Rouge, Louisiana, April 4, 1955.

Wade O. Martin, Jr.
SECRETARY OF STATE AND
INSURANCE COMMISSIONER